

1 infrastructure.

2 It's interesting to note that in the end, we did
3 neither of these, we actually were able to build the
4 infrastructure using complete private funds.

5 Berkshire Connect felt that a business plan was
6 needed to study the best approach and to prove that the
7 project was viable. A national consulting company, Flack &
8 Kurtz, was retained to work with Berkshire Connect on the
9 business plan and network design.

10 The business plan itself recommended that we
11 aggregate demand and stimulate market demand by increasing
12 education and awareness, as Joe has mentioned. That was a
13 critical success factor for us.

14 And parallel with the business planning, we also
15 determined that we needed a legal entity to assess
16 organizational structures for managing the technology
17 options.

18 An RFP was created and sent to all interested
19 private sector companies.

20 We assessed the responses, based on the following
21 criteria: Service history, price, technology, the balance
22 sheet of the organization, whether they fit our mission.
23 What we were looking for there was countywide solutions and
24 an unbundled approach. Goodwill and timing were also
25 considered.

1 The list was cut to three and presentations and
2 interviews commenced. Global Crossing and Equal Access were
3 selected and we moved to contract negotiations.

4 The keys to the contract, I think, are twofold. A
5 couple of examples here.

6 Berkshire Connect's obligations are to act as
7 marketing representative for Global Crossing. Also, to
8 facilitate access to the customers, public relations and
9 assist with permit approvals in the county.

10 The partner obligations, Global Crossing, to
11 complete in-county network, and it will be a wireless
12 network, privately financed, provides dramatic discounts,
13 regardless of vocation or size of business, and eliminate of
14 distance factor for T-1 pricing.

15 The unique aspect of this agreement is the ability
16 to discount, based on aggregate of demand. As more
17 businesses joined Berkshire Connect and sign up for
18 services, prices go down, based on a tiered pricing
19 structure.

20 Essentially, each member of Berkshire Connect
21 becomes a marketing rep for Global Crossing and for the
22 country.

23 I've personally talked to half a dozen businesses
24 to promote Berkshire Connect and Global Crossing, not only
25 because I am committed to Berkshire Connect, but also

1 knowing that the health systems telecommunications costs
2 will go down as more businesses join Berkshire Connect.

3 During the three years, Berkshire Connect will
4 also provide oversight on the contract and act as an
5 advocate to the community and ensure that we don't replace
6 one monopoly with another.

7 I have to also note that during this process
8 Senator Kennedy's office, Senator Kerry and FCC Chairman
9 William Cunnard were instrumental in offering support and
10 guidance. Without them, we couldn't have gone as far as we
11 have.

12 Berkshire Health System is benefitting from this
13 in a couple of ways. Our telecommunications costs will drop
14 by approximately 45 percent. Currently, we spend \$90,000 a
15 month in long-distance, local digital service internet and
16 data lines.

17 By July, when fully implemented our monthly
18 expenditures will be approximately 48,000 per month, for a
19 savings of about \$500,000 a year, which could be used to
20 expand services for our community.

21 Also, due to the explosion of the internet based
22 applications and the information needs of our patients and
23 physicians, we will be able to expand our network capacity,
24 utilizing these dollars, also. We could not afford this
25 without Berkshire Connect.

1 Now, even though I've been talking about the
2 benefits to business, in our business, there is a direct
3 human interest impact to this, also.

4 For most of our nursing home residents, their
5 families live outside the local calling area. It gives me
6 great satisfaction to know that the long-distance rates for
7 these residents will be cut by 50 percent, due to the
8 efforts of Berkshire Connect and its supporter.

9 It's also extremely satisfying to know that in
10 this case statistics and economics didn't get in the way of
11 doing the right thing.

12 Thank you.

13 MR. PAUL VASINGTON: As a result of Berkshire
14 Connect, we also got involved with Cape Cod, and now I'd
15 like to call on Gene Curry to talk a little bit about the
16 effort on the Cape.

17 MR. EUGENE CURRY: Cape Cod Connect had its
18 inception in the fall of 1997. The Cape Cod Technology
19 Council, an organization for which I chair their
20 infrastructure committee, had done a survey, trying to
21 identify what our members considered to be the greatest
22 impediments to the development of a technology economy on
23 Cape Cod.

24 The overwhelming response was the lack of an
25 adequate telecommunications infrastructure. In the fall of

1 1997, we had a telecommunications forum in which we got a
2 decidedly unsatisfactory response from the incumbent
3 provider, and we were then approached by some
4 representatives of the Mass. Technology Collaborative, who
5 suggested that we may want to look at what Berkshire County
6 was doing and start to look at a public/private partnership
7 as a vehicle for stimulating the growth of the
8 telecommunications infrastructure.

9 Adopting TSL, its line, that bad poets imitate,
10 good poets steal, we chose the name Cape Cod Connect for our
11 project, and began as a collaborative effort among the Mass.
12 Technology Collaborative, the Cape Cod Chamber of Commerce,
13 the Cape Cod Technology Council, and the Cape Cod
14 Commission.

15 Our first effort was also to assess what we
16 actually had on the ground, and one of the things we came to
17 realize very early on was that our situation was different
18 than Berkshire County's.

19 We had some similarities in terms of we found that
20 we had less than adequate service and that this was also a
21 function, to some degree, of geography, but we had more of
22 an infrastructure to start with than Berkshire County did.

23 We had two points of presence in place, Berkshire
24 County had none. And so we started to focus on a somewhat
25 different strategy, whereas Berkshire County's initial take

1 was to get that initial infrastructure in there, as Chuck
2 was just describing.

3 We started to start looking at not only expanding
4 the infrastructure, but looking at solving the last mile
5 question.

6 A significant body in our group was the SoHo
7 Committee, the Small Office/Home Office Committee, and many
8 of our members, even some of our larger members, started out
9 as small office/home office.

10 To illustrate one of the points Joe made, that one
11 of our steering committee members is a guy named Bob Madonna.
12 Bob Madonna developed a programmable switch eleven years ago
13 when he was an unemployed engineer. For a couple of years
14 he worked over a Chinese food store in the Town of Sagamore.
15 Last summer he sold his company to Lucent Technologies for
16 \$1.7 billion.

17 Bob's business is on Cape Cod because Bob Madonna
18 and his wife want to raise their kids on Cape Cod. He could
19 do this anywhere. Arguably, he could do it more efficiently
20 if he was in the 128 circle. But it's that kind of business
21 and that kind of business leader that help make Cape Cod
22 Connect an effective, we think very effective vehicle for
23 addressing our concerns.

24 Our real goal, and I think it's something that if
25 anybody is going to be trying to do this in their community,

1 what we're really trying to do is make a business case to
2 the providers that there is a return on investment if
3 they're going to come down and take a look at our community.

4 And it was very clear, initially, that we were not
5 on anybody's radar screen. And we worked very hard through
6 a process of meetings with the providers, developing and
7 educating our own base of users, and organizing those people
8 so that we spoke as an effective community, as compared to a
9 small group of companies here, companies there and what have
10 you.

11 And we think that this has produced some
12 significant results. And one of them being that in Bell
13 Atlantic's DSL roll out, whereas previously we did not, we
14 felt, have a good relationship with Bell Atlantic, our
15 relationship has improved considerably.

16 We now feel that we're getting accurate
17 information in terms of when roll outs are going to take
18 place, what kind of services are going to be provided.
19 We've had discussions about price negotiations, and we are
20 informed at this point that the rate of availability of DSL
21 service on the Cape is now higher than it is in average
22 communities throughout Massachusetts. We view this as a
23 significant success.

24 The roll out of DSL by Bell Atlantic is by no
25 means the only aspect of solving the problem, nor is it the

1 total solution.

2 When it comes to DSL, it gives new meaning to the
3 phrase, your mileage may vary.

4 And one of the issues that has come up, and it
5 speaks to a point that Joe raised about the dynamic nature
6 of the market, is that some places can't get DSL, because at
7 one point Bell Atlantic was trying to upgrade the network
8 and putting in fiber, and you can't get DSL unless you have
9 the copper.

10 So there was an effort to upgrade the network
11 that's now, because of other changes, proved somewhat
12 counterproductive. We don't know where things are going to
13 go. And we think that's important.

14 We've made significant progress on the Cape. 14
15 of the 17 communities have cable modem access. DSL service
16 is available out of all but two of the central offices.
17 There is competition among resellers of DSL, one of whom is
18 on Cape Cod specifically because he heard about Cape Cod's
19 interest from Cape Cod Connect.

20 And so we think that this is -- we've moved the
21 ball along considerably. We're not where we want to be. We
22 need to work harder to finish trying to solve the process.
23 I personally don't think the process ever gets solved,
24 because by the time we figure out what to do best about this
25 technology, there'll be another technology that we have to

1 think about how it's going to be implemented.

2 The other thing that's most significant is we want
3 to monitor delivery.

4 At the same telecommunications forum where the
5 incumbent providers did not fare very well, someone else
6 came in and said, we're prepared to give you everything we
7 need. We can solve your problem for you.

8 And two years later they're doing no business on
9 Cape Cod, because they came in and they oversold, they did
10 not have the support.

11 At our meetings with their -- we had meetings with
12 every provider with our technical review team. We tried to
13 make it as clear as possible, bring your engineers, not your
14 salespeople. And these people just never got the message.
15 They showed up with their salespeople. They were in, very
16 definitely, over their heads very fast.

17 And what started out as conceivably a very nice
18 segue and entry into the market, as now I could poison the
19 well for them. I think they're going to have to do an awful
20 lot to ever get anybody to take them seriously as a
21 potential provider.

22 And I must tell you that it is very satisfying to
23 be in the position of evaluating potential providers and
24 thinking about whether they're going to be suitable for our
25 market than the other way around.

1 MR. PAUL VASINGTON: Thanks a lot, Joe and Chuck
2 and Gene. It's very interesting presentation.

3 And now I'd like to hear from Ray Campbell, who is
4 the Executive Director of Massachusetts Corporation for
5 Educational Telecommunications.

6 Ray.

7 MR. RAY CAMPBELL: Thank you.

8 Now you know why we call it MCET, as opposed to
9 the whole name.

10 MR. PAUL VASINGTON: Yeah.

11 MR. RAY CAMPBELL: Thank you very much for having
12 me. It's a pleasure to be here.

13 I want to tell you about what I think is a
14 remarkably effective public/private partnership that my
15 organization has been called in. It's called the
16 Massachusetts Community Network. And this is an idea that
17 -- it's been around for a long time, but it grew out of a
18 recognition that we had a digital divide in Massachusetts,
19 and I think that the term digital divide is often used as if
20 it's describing a single phenomenon. In fact, there are,
21 you know, dozens of digital divides, depending upon how you
22 look at it.

23 But one of the ones that we were confronted with
24 here in Massachusetts was at the state level, public
25 organizations, state agencies, had relatively good access to

1 the internet because the state owns and operates a statewide
2 wide area network that provides, among other data
3 communication services, internet access.

4 But if you look at municipal governments, schools,
5 libraries, police stations, fire stations, town halls, they
6 didn't have such a good situation. And the primary reason
7 for that is that every one of the municipalities and school
8 districts would go to market individually for internet
9 access service. And as a result, they were all very small
10 retail purchasers and they were treated as such by the
11 market.

12 Boston might have sufficient scales to command
13 attention from private providers, but by and large most
14 municipalities and school districts in Massachusetts were
15 treated as small purchasers. And as a result of that, the
16 cost of a high-speed internet connection -- when I say
17 high-speed, I'm talking T-1 speed, 1.5 megabit-per-second
18 connections, ranged from about \$900 a month in the Boston
19 area, to as much as \$25000 a month or more in Berkshire
20 County, Franklin County, the outer Cape. And so you had at
21 the municipal level a distinct disadvantage in terms of
22 getting internet access.

23 But although those disadvantages existed, there
24 were a number of policy makers at the state level that felt
25 that there were some significant advantages that we could

1 bring to bear to try to solve this problem.

2 Specifically, if you add up all those facilities,
3 the 1850 K through 12 school buildings, the 450 public
4 libraries, the thousand or so police stations, the thousand
5 or so fire stations, you're looking at a community of users,
6 something like 5,000 buildings strong. And that's not just
7 a big purchaser, that's, bar none, the largest purchaser in
8 the market.

9 And so we had the idea that what we should do is
10 aggregate that demand and go to market on behalf of all
11 those organizations and see if the public sector could
12 receive a different deal, if it tried to speak with one
13 voice.

14 To test that hypothesis, my organization, MCET,
15 drafted an RFP and put it out to market. And we had only
16 two mandatory requirements in the RFP, which incidentally
17 was only three pages long. We decided to take a different
18 approach to public contracting than the standard, and leave
19 it up to them, the community, to tell us the details, rather
20 than us attempting to describe it to them.

21 In any event, we had only two mandatory
22 requirements.

23 The first was that whatever private sector partner
24 we picked to do business with, would have to provide service
25 to any public sector facility in Massachusetts, regardless

1 of location. We absolutely would not pick a provider that
2 was going to cherry pick and only serve certain lower-cost
3 regions of the state to serve.

4 The second mandatory requirement was that we
5 insisted on a flat-rate pricing, a given amount of bandwidth
6 should cost the same, regardless of location, in
7 Massachusetts.

8 So a T-1 connection in West Stockbridge,
9 Massachusetts, should cost no more than a T-1 connection in
10 Downtown Boston.

11 And we had made the decision that rather than try
12 to have a state owned and operating network, the approach we
13 want to use was to partner with a private sector
14 organization that could bring their expertise to bear in
15 terms of telecommunications services, and also they would
16 have the capital resources to keep the investment up and
17 running at state-of-the-art levels, rather than having
18 continual public investment and the infrastructure being
19 required over time.

20 So as a result of our putting out this RFP, there
21 was a fiercely competitive selection process. We had over
22 20 vendors. We did a very extensive and thoughtful review
23 of those, and at the end of the day, we partnered with three
24 organizations.

25 The basic transport service is provided by a

1 Massachusetts competitive local exchange carrier called
2 Digital Broadband Communications. They're based in Waltham.

3 A lot of the services on the network, things like
4 e-mail, caching, filtering, web hosting, things like that
5 are provided by a Tennessee based company called Education
6 Networks of America. They operate Tennessee's K through
7 12 statewide network.

8 And third, Cisco Systems is partner in this
9 endeavor. They're a major backer of Digital Broadband and
10 they've also been sort of directly at the table, providing
11 various services and incentives.

12 At the end of the day, what we ended up with, I
13 think is a pretty remarkable accomplishment.

14 As I said, previously the price for T-1 speed
15 internet connection was anywhere from 900 a month to \$2500 a
16 month.

17 Massachusetts Community Network is now offering
18 T-1 speed internet connections anywhere in Massachusetts,
19 \$400, flat rate. Same price anywhere in the state.

20 So it's more than 50-percent discount off of the
21 pricing Boston had been able to achieve on its own, but for
22 the remote parts of the state, it's an enormous discount.
23 It really represents, I think, a pretty fundamental public
24 policy accomplishment on the part of the Commonwealth to
25 bring low-cost, high-quality, flat-rate priced internet to

1 public sector organizations.

2 But there's more to this story than just the
3 savings that'll make it possible. We estimate that if we
4 get broad adoption in the public sector, that this could
5 save anywhere from 100- to 150-million dollars over five
6 years.

7 Beyond the direct cost savings, though, we think
8 that the possibilities of on-line government and for
9 improved efficiency of government services are really
10 extraordinary.

11 Because unlike a situation in which you have all
12 these different organizations accessing the internet and
13 attempting to communicate that way, we've effectively formed
14 a giant intranet in that any communication between public
15 sector organizations that are members of the network will
16 never have to go to the internet.

17 It'll be carried entirely over the network of our
18 private partner, Digital Broadband; and, therefore, you
19 don't have to worry about whether the internet is having a
20 bad hair day or anything like that, you've got service level
21 guarantees that control what the performance of the private
22 network is, and that's where the public business will be
23 conducted.

24 So it makes it vastly easier for police stations
25 to communicate with the state police; fire departments to

1 communicate with the Fire Fighters Academy; public health
2 facilities to communicate with the Department of Public
3 Health and so on and so on.

4 So we think that not only will this bring great
5 savings into place, but it will also provide a greatly
6 improved opportunity for on-line government and for
7 collaboration and for enterprise applications across the
8 municipal sector of government in Massachusetts.

9 One other point is particularly significant that I
10 want to mention, and that's that not only are there cost
11 savings that are very significant, there's a really great
12 economic development story here.

13 And that's because -- because we required in the
14 RFP that our private partner would provide service anywhere
15 in Massachusetts to any public sector organization, our
16 partner is now building out their infrastructure throughout
17 the entire Commonwealth.

18 So as a result of this contract and as a result of
19 our going to market on behalf of 5,000 public sector
20 facilities, we altered the investment plans of private
21 sector players, and we will now have a single company that
22 will provide statewide broadband infrastructure in every
23 single community in Massachusetts.

24 And there are many communities, that for
25 demographic or density and cost reasons, the private sector

1 otherwise wouldn't be investing there to serve those
2 customers.

3 As a result of our contract, every community in
4 Massachusetts is going to have a broadband vendor deployed
5 in their area. And once it's put in place, in order to
6 satisfy the public sector's requirements, that
7 infrastructure is available and can and will be resold to
8 commercial and residential users.

9 So I think that the Mass. Community Network is a
10 pretty fundamental accomplishment on the part of the
11 Commonwealth of Massachusetts in terms of using a
12 public/private partnership to spur broadband deployment
13 throughout the Commonwealth, and it was done in a way that
14 didn't rely on the traditional mechanisms of government,
15 which is taxing, subsidizing, prescribing. We did it by
16 aggregating demand and coming to market as a major
17 purchaser, as a major player in the market and influencing
18 market behavior in that way. And it's something that we're
19 very proud of.

20 Thank you.

21 MR. PAUL VASINGTON: Thanks a lot, Ray.

22 And now we've heard from the smaller state. Now
23 we'll hear from someone from a state that can fit in a
24 couple of Massachusetts within its boundaries.

25 We have Jim Doyle, who is the Director of

1 Operations & Technology Policy Advisor for Governor Angus
2 King in Maine.

3 Jim.

4 MR. JIM DOYLE: Thanks. Could you move the cup?
5 Thanks.

6 I won't reiterate a lot of the points that you've
7 heard already. I think we've been through a similar
8 situation in Maine, but what I'll try to do is give more of
9 history of where we started from and where we've gone.

10 We've been in public/private partnerships in the
11 field of education for about five years now. We face many
12 of the same challenges. Maine focused intensely on defense
13 industry and low-skilled jobs that migrated overseas in the
14 Eighties, and we were in a pretty tough spot going into the
15 1990s.

16 But we have some opportunities. We have an
17 educated population. We have a relatively new
18 telecommunications backbone throughout the state. And we
19 have a commitment from our policy makers, a very strong
20 commitment to education, and we really see that as a --
21 there was a diagram of a serpent up there before, and one of
22 the pieces of that serpent was education, and we really feel
23 that's the way to create more demand.

24 If you'd go to the next slide, please?

25 Just quick through this. Just to give you an

1 idea, this is the backbone that we're building off of.

2 You see Portland and Lewiston, the two southern
3 cities. If you draw a line halfway between those cities,
4 50 percent of Maine's population lives south of that line.
5 So we're a very rural state to the north. It's about
6 1.2 million in the State of Maine, and it's as large as the
7 rest of New England together.

8 Bell Atlantic serves about 85 percent of the
9 state. Time-Warner has had great success in rolling out
10 cable modems, first in Portland to the south, but at the
11 very top of the state you see Limestone, which is about
12 450 miles north of here. It's a former Air Force base, and
13 Time-Warner recently rolled out road runner service up there
14 and is having -- things are going very well. It's Caswell
15 Plantation, population 85, has a very high take rate for
16 roadrunner service.

17 Next slide, please.

18 We've been partnering for five years, primarily
19 with Bell Atlantic and our independent telephone companies
20 in bringing broadband services to our schools.

21 Several trends have emerged in that time.
22 Initially central sites were sufficient, but now we've seen
23 the need to move towards less of kiosk model and more to
24 distributed models.

25 And we started off in a very regulatory, narrowly

1 prescribed mode, where we'd say, okay, vendor, you are going
2 to do X or Y by order of the Commission or by law, whereas
3 now things are more competitive and open.

4 And finally we've started to see a shift from
5 state taxpayer funds, the traditional government
6 partnerships that were just referred to, towards more of
7 that aggregation model.

8 Next slide, please.

9 We started out in 1995 with the Maine school and
10 library network. It was approved by the Maine State
11 Legislature. And what the Maine school and library network
12 does is it hooks up all 1100 of our public schools and
13 libraries with broadband communications, and the level of
14 broadband can be scaled according to the demand from the
15 site.

16 We went from 9-percent penetration in schools in
17 1995 to 100-percent, 100-percent broadband by 1997.

18 The distance learning, our ATM project, the voters
19 of Maine passed a bond issue, \$15 million, to purchase
20 capital equipment to facilitate broadband services in your
21 high schools.

22 The state E-rate passed last year, as a supplement
23 to the federal E-rate and it will pick up some of the loose
24 areas that the first two initiatives don't cover.

25 And, lastly, just this year, we passed something

1 we called the learning technology endowment, and we'll talk
2 about that a little bit later.

3 Next slide, please.

4 Okay. The school and library network was created
5 by the PUC and approved by the legislature in an incentive
6 rate case base in 1995, and it sets aside \$4 million a year
7 to essentially get the ball rolling. Its schools and
8 libraries serve their communities. It's a scale of
9 broadband kiosks and we've seen the demands increase every
10 year. So there's still a good amount of funds left in
11 there.

12 \$4 million in Maine, by the way, is a lot of
13 money. So we're able to get quite a distance on that.

14 Next slide, please.

15 Again, the program was set up by the PUC in
16 conjunction with Bell Atlantic and with input from the
17 legislature, but it was created in 1995 and really reflected
18 more of a regulatory approach.

19 That was, we think, in a central element to get a
20 jump start to go from 9 to 100 percent in two years is very
21 dramatic. But it really was a first-generation model. It
22 works in a monopoly environment, but it doesn't really lend
23 itself to the current telecommunications environment.

24 The ATM project was sort of the next step in that.
25 It has an educational mission, first of all, but it also is

1 where we first started to use government buying power to
2 spur deployment into outside communities.

3 Would you go to the next slide, please?

4 You have to click through these a little quickly.

5 The ATM -- the MSL end delivers up to T-1 speed.
6 The ATM sort of picks up from there. It delivers 45 megs of
7 two-way video with 10 megs set aside for data
8 communications, although some schools use all 45 for data.

9 And what it essentially does is it allows our
10 small systems who couldn't possibly afford a foreign
11 language teacher or advanced math or calculus teacher to
12 partner with other school districts and bring those services
13 to the schools.

14 And it also allows Bell Atlantic, in this case,
15 who is our contractor, to be delivering 45 meg ATM services
16 to some very remote sites.

17 You can click through the next two slides quickly.

18 That's okay.

19 This is the obligatory how fast does it download
20 speed slide.

21 But as you can see, it makes a real difference.
22 And where we were concerned with video in Maine, ATM turned
23 out to be the product we were looking for.

24 Again, you can see most of the sites that
25 subscribe are the rural sites. That number 9 represents the

1 point at where 50 percent of the population lives below it,
2 and that's the only site, really, in the urban south that
3 subscribed. Most of the subscribers to this point have been
4 to the north.

5 Next slide, please.

6 There were numerous partners in this endeavor.
7 Initially the first, the MSLN was more localized to Bell
8 Atlantic.

9 At this point we went out to a bid process and
10 someone is referring to a three-page RFP. I think that was
11 the cover sheet on our RFP, was three pages, and there were
12 four of them.

13 But you can see we have a broad spread of
14 partners.

15 SBC now, Ameritech, SBC is providing the in-school
16 solutions, and Bell Atlantic is providing the outer-school
17 solutions, and the university system is providing sort of
18 the computer backbone of it.

19 Next slide, please.

20 The base fee that we negotiated was \$2,100 a
21 month, and that's a statewide fee, regardless of where your
22 school is located.

23 On top, that's our Department of Education, DOE,
24 and those schools, as you go down the line are increasingly
25 rural and increasingly lower income.

1 We've overlaid on this slide that the federal
2 E-rate picks up, and then on top of that, there is some
3 funds from the state E-rate or MSLN that are applied to
4 that, as well.

5 So you can see the Piscataquis High School in
6 Northern Maine receives 45 megs of ATM service for \$36 a
7 month, and they're very pleased with their purchase that
8 they've made.

9 But the same could be said of schools like Gorham
10 and Poland which are in more urban areas, because \$845 a
11 month versus having to hire several teachers that you
12 perhaps couldn't afford or opportunities that would not
13 otherwise be available, that looks like a fantastic deal.

14 And what we've also found is that our private
15 companies, once these things were installed, once the
16 connections were installed, began to apply for the service,
17 as well. It's used intensively for inventory control for
18 our policy year to compliment our existing efforts.

19 Next slide, please.

20 Just this year, you heard Senator Kerry refer this
21 morning to the Governors learning technology endowment.

22 And Maine, like most states, ran a budget surplus
23 this year, and a portion, the legislature set a portion of
24 that surplus aside in an endowment fund, which is going to
25 be dedicated to more education technology.

1 And we assume that this is going to go forward in
2 some type of public/private partnership, a commission formed
3 by the legislature and the governor will be examining this
4 over the next year and deciding where to go, but we hope
5 that our goal will be to sort of break out of the kiosk
6 model and move into a distributed format for technology for
7 our kids.

8 We really think it is important to get. Kiosks
9 are a great starting point, but the second half of 706 is
10 really to get out of the kiosk and to the individual.

11 The next slide, please.

12 Again, we have a proposal, the legislature will
13 have final say on what happens, but we'd like to see all of
14 our kids -- right now, our proposal is Grades 7 through 12
15 have portable devices where they could get internet access
16 from home, and we think that by creating the demand in the
17 community and creating educated people who use these
18 products, we're going to facilitate further network
19 deployment by Bell Atlantic or other technology providers.

20 Again, we had -- MSLN designed a scaleable
21 program. We started off with 56K connections, which in 1995
22 seemed very sufficient for a school of 200 people, but as we
23 found out in 1999/2000, the demand has escalated up to
24 45 megs.

25 If you want a T-1 in Maine and you're a school and